Generalised tariff preferences: products of least-developed countries, from July 1999 to 31 December 2001

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PURPOSE: Proposal for a Council Regulation amending Council Regulation 2820/98/EC applying a multiannual scheme of generalised tariff preferences for the period 1 July 1999 to 31 December 2001 so as to extend duty-free access without any quantitative restrictions to products originating in the least-developed countries. CONTENT: This proposal is a result of the Community's (recently renewed) undertakings for the least developed countries (LLDCs), and seeks to translate those undertakings into action. Most recently, the Partnership Agreement between African, Caribbean and Pacific States and the European Community and its Member States, signed at Cotonou (Benin) on 23 June 2000 states that, by the year 2000, the Community will start a process which, by the end of of World Trade Organisation (WTO) multilateral trade negotiations and at the latest by 2005, will allow duty-free access for essentially all products from all LLDCs, building on the level of the existing trade provisions, that apply to their exports. Against this background, the main objective of this proposal is to amend Article 6 of Council Regulation 2820/98/EEC concerning the special support arrangements for the least-developed countries. However, logically, this amendment would entail the amendment of other articles. Therefore, a reference to the new Article 6 must be included in Article 1(2) of the Regulation concerning the scope of the scheme's application. Furthermore, technical amendments must be made to Article 7 and Annex VII of the Regulation to define more exactly the scope of the special support arrangements for the fight against drugs following the amendments in favour of the least-developed countries. Finally, technical amendments are also necessary in Article 29(4) of the Regulation so as not to restrict the benefits to the least-developed countries to ad valorem duties alone. In conclusion, the Commission is aware that such an opening increases the risk of fraud and failure to adhere to the rules of origin, so it is proposing to put in place stronger safeguard measures, similar to those which the Council adopted in connection with the exceptional trade measures for the countries and territories of the Western Balkans. The proposal amends Article 22 of the basic Regulation on the GSP and provides for tariff concessions to be temporarily suspended in cases of fraud, failure to adhere to the rules of origin and/or huge increases in imports into the Community beyond the usual output or export capacity of the countries concerned.